United Nations A/60/7/Add.16

General Assembly

Distr.: General
12 December 2005

Original: English

**Sixtieth session**
Agenda item 124
**Proposed programme budget for the biennium 2006-2007**

# Section 13
# International Trade Centre UNCTAD/WTO

## Seventeenth report of the Advisory Committee for Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General containing the proposed programme budget for the International Trade Centre UNCTAD/WTO for 2006-2007 (A/60/6 (Sect. 13)/Add.1). During its consideration of the report, the Committee met with representatives of the Secretary-General at Headquarters and exchanged views with the representatives of the Centre in Geneva, through videoconferencing.

2. The Advisory Committee notes that the proposed budget is presented in accordance with the procedure and revised administrative arrangements for the International Trade Centre UNCTAD/WTO, as proposed by the Secretary-General in his report (A/59/405) and on the basis of the recommendations of the Committee (A/59/543), endorsed by the General Assembly in its resolution 59/276. The Committee recalls that, in accordance with the new procedure, a simplified fascicle is submitted to the Assembly and the World Trade Organization (WTO) General Council in the second quarter of the year preceding the forthcoming financial period, with a request that both bodies take note of the planned level of resources that will be requested. The issuance of the fascicle is followed by a full detailed proposal submitted in the fall for decision by both bodies.

3. In line with the above, a preliminary budget estimate, to accommodate the programme activities of the International Trade Centre (ITC) for the biennium 2006-2007, was submitted by the Secretary-General in the second quarter of 2005, which, combining the World Trade Organization and United Nations share, amounted to 65,540,400 Swiss francs (at 2004-2005 foreign exchange rates). Income was estimated at SwF 470,000 and the United Nations share of the costs at SwF 32,535,200 (equivalent to $26,001,900, at the exchange rate of SwF 1.25 to $1.00) (see A/60/6 (Sect. 13)). As explained in paragraph 13.5 of the budget fascicle, the proposed requirements for the biennium 2006-2007 represented a decrease of 0.8 per cent in real terms compared with the resources approved for the biennium 2004-2005; also included was a request for two new Professional posts (1 P-4 and 1 P-3) to reinforce the core activities of ITC. In its first report on the proposed programme budget for the biennium 2006-2007,[1] the Advisory Committee recommended that

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the General Assembly take note of the resources proposed in the preliminary budget estimates.

4. The final and detailed budget proposal for ITC for the biennium 2006-2007 is contained in the proposed programme budget submission (A/60/6 (Sect. 13)/Add.1). The Advisory Committee notes from table 13.3 that the requirements of ITC for 2006-2007 are estimated at SwF 66,058,600, before recosting, or SwF 68,369,400, at 2006-2007 rates. The updated amount represents a decrease of SwF 13,500, or 0.02 per cent, compared with the approved budget for 2004-2005. The decrease is the net result of an increase of SwF 1,284,000 under post resources and a decrease of SwF 1,297,500 under non-post resources (see paras. 7 and 10 below).

5. The Advisory Committee notes that projected miscellaneous income remains at SwF 470,000, in line with the amount of $471,000 estimated for 2004-2005. The biennial contribution of each parent organization (the United Nations and WTO) is SwF 33,949,700, or $26,732,000 at the exchange rate of SwF 1.27 to $1.00.

6. For the biennium 2006-2007, extrabudgetary resources, which represent 51.5 per cent of the total resources available to ITC, are estimated at SwF 70,066,900, or $55,170,800 (at the exchange rate of SwF 1.27 to $1.00), as compared with the amount of SwF 69,079,100 approved for 2004-2005 (table 13.6). As indicated in paragraph 13.16, extrabudgetary resources complement the regular budget provisions and enable ITC to implement technical cooperation projects using the tools and knowledge base developed with regular budget resources.

7. As shown in table 13.4 (A/60/6 (Sect. 13)/Add.1), the proposed number of regular budget posts for ITC for 2006-2007 is 156 (80 Professional and 76 General Service), compared with 153 posts authorized for 2004-2005 (77 Professional and 76 General Service). The Advisory Committee notes that the post-related requirements (SwF 50,208,700) reflect an increase amounting to SwF 1,284,000, or 2.6 per cent, over the approved budget for 2004-2005, resulting from the delayed impact of the four Professional posts (2 P-4, 1 P-3, 1 P-2) and three General Service posts (Other level) approved for the biennium 2004-2005, and the proposed creation of three Professional posts (1 P-5, 1 P-4 and 1 P-3) for 2006-2007.

8. The Advisory Committee's recommendations on posts are as follows:

(a) One P-5 post for a Programme Officer (Division of Technical Cooperation Coordination) to be responsible for coordinating and providing substantive inputs to ITC activities towards the achievement of the Millennium Development Goals, in particular Goals 1 and 8, as well as coordinating the mainstreaming of gender issues in ITC programmes (para. 13.22). **The Committee recommends approval of the post**;

(b) One P-4 post for a Senior Officer (strategy and competitiveness) in the Office of the Executive Director to support, from the technical and operational perspectives, the expanding ITC programme in export strategy design and management (para. 13.21). The Advisory Committee was informed that demand for more regular and specialized advisory support and specialized training far exceeds current capacity (one P-5 and one General Service post) and that it is anticipated that this high level of demand will be maintained in the long term. **The Committee recommends approval of the post**;

(c) One P-3 post for a Trade Promotion Officer (Division of Technical Cooperation Coordination, Office for Arab States, Europe and the Commonwealth of Independent States) to reinforce ITC core activities in the area of needs

assessment, capacity-building and competitiveness enhancement tools for economies in transition (para. 13.22). **In view of the increasing demand for new technical cooperation approaches, tailor-made to the specific needs of countries with economies in transition and insufficient existing capacity (1 P-4 and one P-3) to cover 53 countries, the Advisory Committee recommends approval of the post.**

9. The Advisory Committee sought clarification as to the high ratio of General Service to Professional posts (76 General Service and 80 Professional posts are proposed for 2006-2007). In this connection, the Committee was informed that the ratio of Professional to General Service category posts had increased from 0.87 Professionals to 1 General Service in 2000-2001 to 1.05 Professionals to 1 General Service for 2006-2007, with many of the General Service category posts performing support functions other than secretarial work, such as drivers, cleaning and maintenance staff.

10. The decrease under non-post resources of SwF 1,297,500 (7.6 per cent) is mostly the result of decreases under general operating expenses (SwF 352,300), in view of a reduction in rent cost (SwF 445,800) resulting from the decision of the Swiss authorities to align the rent with the expenditure pattern, as well as under furniture and equipment (SwF 1,082,100), in view of the decrease in the one-time provision (SwF 1,320,500) for the acquisition of security equipment related to the strengthening of the security management system adopted by the General Assembly in its resolution 59/276.

11. The Advisory Committee was informed that ITC estimates for 2006-2007 were reviewed and endorsed by the WTO Committee on Budget, Finance and Administration. On its recommendation, the WTO General Council approved the ITC budget for 2006-2007 on 1 December 2005.

12. While noting that ITC would continue to prepare two budget fascicles for review by both parent organizations (the United Nations and the WTO), the Advisory Committee recalls encouraging ITC to endeavour to harmonize the two budget presentations, where possible (A/59/543, para. 7). As indicated in table 13.7 (A/60/6 (Sect. 13)/Add.1), the new procedures are being introduced for the 2006-2007 budget period and, based on this experience, consultations will take place to determine whether further harmonization can be introduced. The Committee was informed that although the budgets are presented in Swiss francs for both secretariats, there are still variances in the presentation of the work of the different divisions and in the reference to outputs, as well as in the object classes and budget codes. **Information on further efforts and progress achieved in harmonizing should therefore be reported in the context of the next budget submission, along with an evaluation on how the new procedures are working and have simplified and streamlined the budget presentation procedures.**

13. **The Advisory Committee recommends that the General Assembly approve an amount of SwF 68,369,400 at 2006-2007 rates under section 13, International Trade Centre UNCTAD/WTO, of the proposed programme budget for the biennium 2006-2007.**

*Notes*

[1] *Official Records of the General Assembly, Sixtieth Session, Supplement No. 7* (A/60/7).